

286.8-032 Application for license.

- (1) A license as a mortgage loan company or a mortgage loan broker may be obtained by filing a written application with the executive director.
- (2) The application shall:
 - (a) Be sworn to;
 - (b) State the name of the applicant and each of the applicant's affiliates engaged in business as a mortgage loan company or a mortgage loan broker;
 - (c) State the name under which the applicant will conduct business in Kentucky;
 - (d) State the location of the applicant's principal office and branch offices in Kentucky;
 - (e) List the name, residence, and business address of each person having an interest in the business as principal, partner, officer, trustee, and director, specifying the capacity and title of each;
 - (f) Indicate the general plan and character of the business;
 - (g) Contain a corporate surety bond or other instrument as prescribed by KRS 286.8-060;
 - (h) If applying for a mortgage loan broker license, contain a compiled financial statement of the applicant; or, if applying for a mortgage loan company license, contain a reviewed or audited financial statement of the applicant prepared by a licensed or certified public accountant;
 - (i) Require payment of the appropriate registration fees; and
 - (j) Require such other information as the executive director determines necessary.
- (3) No mortgage loan company license may be granted unless the applicant has and maintains, so long as the license is in effect, a minimum, documented funding source of one million dollars (\$1,000,000). If a mortgage loan company has a net worth in excess of one million dollars (\$1,000,000), an additional funding source is not required.
- (4) A license issued to a mortgage loan company or a mortgage loan broker shall entitle all officers and employees of the person, if a corporation, and all members, partners, trustees, and employees, if an association, partnership, natural person, or trust, to engage in the mortgage loan business licensed pursuant to this subtitle, subject to the applicable registration requirements of KRS 286.8-255 and 286.8-260.
- (5) If a licensee desires to establish a branch office in Kentucky not already approved, the licensee shall file a registration statement with the executive director that includes the address and telephone number of the branch office, the name of the prospective manager, the anticipated opening date, and any other information prescribed by the executive director.
- (6) Each applicant for a mortgage loan broker license shall have at least one (1) owner who owns at least twenty percent (20%) of the applicant and shall provide the executive director sufficient proof of a minimum of two (2) years' experience

working in the mortgage industry. The executive director shall determine from the application whether an applicant has sufficient experience to meet this requirement.

- (7) All applicants for a mortgage loan broker license shall have successfully completed an educational training course, approved by the office, of not less than thirty (30) classroom hours' duration. Mortgage loan brokers who have held a license for at least one (1) year shall be exempt from this requirement. This section shall not become effective until the office has approved at least one (1) educational training course. This section shall not apply to renewals of existing licenses.
- (8)
 - (a) On and after June 24, 2003, the application for a mortgage loan broker license shall state the address of the physical location where the business is to be located in compliance with KRS 286.8-250 and whether such location is a residence. Photographs of the exterior, interior, and exterior sign of each location shall accompany the application. If the physical location is not a residence and is leased, the lease shall be for a term of at least one (1) year and a copy of the lease and the names of all employees conducting business under the lease shall accompany the application. If the physical location is a residence, proof that the location is a residence, in a form as required by the executive director, shall accompany the application. Proof of residence shall confirm that the mortgage loan broker owns or leases the residence and lives in the residence as the mortgage loan broker's main residence. Proof of physical location shall include proof that local zoning requirements are satisfied.
 - (b) The information required by paragraph (a) of this subsection shall be required for renewals of existing licenses which will expire on June 30, 2004.
 - (c) At least ten (10) days prior to the effective date of an address change of the mortgage loan broker's physical location, the mortgage loan broker shall notify the executive director in writing of the address change and shall include the information required by paragraph (a) of this subsection.

Effective: July 12, 2006

History: Amended 2006 Ky. Acts ch. 218, sec. 3, effective July 12, 2006. -- Amended 2003 Ky. Acts ch. 64, sec. 4, effective June 24, 2003. -- Amended 1998 Ky. Acts ch. 197, sec. 3, effective July 15, 1998. -- Created 1986 Ky. Acts ch. 461, sec. 4, effective July 15, 1986.

Formerly codified as KRS 294.032.

Legislative Research Commission Note (7/12/2006). This section was amended in 2006 Ky. Acts ch. 218. In that same session, 2006 Ky. Acts ch. 247, sec. 38 required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a section of KRS Chapter 286. In addition, KRS references have been adjusted to conform with the renumbering.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.